



**Northeast
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July 1, 2009

Mr. S. Derek Phelps
Executive Director
Connecticut Siting Council
10 Franklin Square
New Britain, CT 06051

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**CONNECTICUT
SITING COUNCIL**

Re: Docket No. F-09 - Connecticut Siting Council Review of 2009 Forecasts of Electric Loads and Resources

Dear Mr. Phelps:

This letter provides the response to requests for the information listed below.

Response to CSC-02 Interrogatories dated 06/11/2009
CSC-001, 002, 003

Very truly yours,

Christopher Bernard
Manager
Regulatory Policy - Transmission
NUSCO
As Agent for CL&P

cc: Service List

The Connecticut Light and Power Company
Docket No. F-09

Data Request CSC-02
Dated: 06/11/2009
Q-CSC-001
Page 1 of 1

Witness: Allen W. Scarfone
Request from: Connecticut Siting Council

Question:

Of the approximately 1,500 MW contemplated from a possible Hydro Quebec project, approximately how many megawatts could potentially be available to Connecticut?

Response:

At this time, NU has not reached a final determination on the size of the HVDC interconnection with Hydro Quebec, although we believe it will be at least 1200 MW. NU and NSTAR are working with ISO-NE to determine the maximum size of the line that would be considered as available for firm capacity import into New England. Once this determination is made, NU will be able to finalize the capacity of the interconnection.

With respect to the amount of power that could be available for Connecticut, NU and NSTAR are working jointly with Hydro-Quebec US to develop the terms and conditions, including the pricing structure for a potential Power Purchase Agreement (PPA) for the power from Hydro-Quebec. It is envisioned that this power will be broadly available for sale to qualified buyers in New England. The Connecticut DPUC will have the opportunity to review the PPA terms and, if they believe it is in the best interest of customers, approve its utilities to enter into long-term contracts with Hydro-Quebec for some portion of the power.

The Connecticut Light and Power Company
Docket No. F-09

Data Request CSC-02
Dated: 06/11/2009
Q-CSC-002
Page 1 of 1

Witness: Allen W. Scarfone
Request from: Connecticut Siting Council

Question:

The Connecticut Light and Power Company's (CL&P) forecast notes that Connecticut currently has the capability to import 30 percent of its peak load. From a reliability perspective, how much import capacity as a percentage of peak load would be ideal?

Response:

The Council should consider the dramatic changes that have occurred in generation technologies, and environmental concerns associated with the fuels utilized to produce electric power, including nuclear, coal and oil. Fuel cost and its availability are important and must be considered in long-term energy planning. The ability of a state to import a high percentage of its electric energy needs is a strategy that provides enormous flexibility including opportunities to share in the output of newer, more efficient, lower cost and more environmentally friendly resources, wherever they are located. This strategy also supports the development of such resources within Connecticut as it allows developers the option to export all or a portion of that energy to load centers in and outside the state.

As reported to FERC, the current Connecticut Import interface transfer limit capability is between 1,500 and 2,500 MW. NU is currently developing the NEEWS Projects that are expected to increase the Connecticut Import interface transfer limit levels by approximately 1,100 MW. The NEEWS Projects will increase the Connecticut Import interface transfer limit capability up to approximately 3,600 MW, which represents 45% of Connecticut's peak demand. All of the other New England states generally have import capabilities that are at least 50% of their peak demand. It would be ideal for the State of Connecticut to be able to import at least 50% of its peak electric energy needs.

The Connecticut Light and Power Company
Docket No. F-09

Data Request CSC-02
Dated: 06/11/2009
Q-CSC-003
Page 1 of 1

Witness: Robin E. Lewis
Request from: Connecticut Siting Council

Question:

Does CL&P believe the recent run-up in the price of crude oil could also lead natural gas prices to follow, resulting in potentially higher generation costs and higher electric rates?

Response:

Historically, natural gas prices have followed oil prices, in some years more closely than in others. But the linkage between oil and gas prices has weakened dramatically. Over the next few years there is little in the way of market fundamentals to justify a significant run-up in natural gas prices as seen recently in crude oil prices. It should be noted that even the current run-up in crude oil prices lacks substantive support from the demand and supply fundamentals. Electric prices in Connecticut are primarily influenced by the price of natural gas because it sets the clearing price at ISO-NE a majority of the time. The laddering approach that CL&P uses for securing and pricing Standard Service and Last Resort Service helps to mitigate the impact of fuel price spikes on its customers. Furthermore, increasing import capability with planned transmission projects allows CL&P to use alternate fuel generation which may be cheaper in the event that natural gas prices do increase rapidly.